



Blue Ribbon Panel for Transportation Funding



RIPTA At-A-Glance

- ✓ FY 2009 Budget: \$101.2 million
- ✓ Operates 3,300 daily trips on 58 statewide fixed routes
- ✓ Operates 9.3 million fixed-route vehicle miles annually
- ✓ Utilizes 2.5 million gallons of diesel fuel per year
- ✓ One of only two statewide transit agencies in the US
- ✓ FY 2007 Ridership: 25.9 million
- ✓ RIPTA is facing a \$12.3 Million deficit for FY 2009



RIPTA's Role

RIPTA as Rhode Island's Mobility Manager

- ✓ RIPTA implements congestion mitigation programs funded by RIDOT and the FHWA
- ✓ RIPTA travels daily on infrastructure built and maintained by RIDOT and RIBTA
- ✓ RIPTA provides trips for DHS, DEA, and MHRH clientele
- ✓ RIPTA provides service connections at rail stations served by Amtrak and RIDOT's Pilgrim Partnership
- ✓ RIPTA maintains a selection of RIDOT maintenance vehicles



Budget Profile – Operating Revenues

(FY 2008 and FY 2009)

	FY 2008	FY 2009
Passenger Revenue	\$25,045,814	\$26,319,688
Special Revenue	\$598,860	\$638,791
Other Revenue	\$9,775,665	\$10,760,213
Gas Tax Subsidy	\$35,167,400	\$32,725,200
Federal Reimbursement	\$18,895,217	\$20,494,297
TOTAL REVENUE	\$89,482,956	\$90,938,189



Budget Profile – Operating Revenues

(Based on FY 2009 Budget)

Gasoline Tax Subsidy = \$32.7 million *(36 percent)*

- Dedication of 7.25 cents of the 30-cent tax.
- Includes a portion of the 1 cent shared with DEA.

Passenger Revenue = \$26.3 million *(29 percent)*

- Includes “fees for service” for RlteCare program (\$14.1 million) and reduced/no-fare program for the elderly and disabled (\$2.5 million).
- Cash fares, pass sales and other fare product sales make up the remaining balance (\$9.7 million) – includes U-PASS program with a number of local colleges and universities.



Budget Profile – Operating Revenues

(Based on FY 2009 Budget)

Federal Reimbursement = \$20.5 million *(22.5 percent)*

- Preventive Maintenance (\$11 million) is the largest component of federal capital funds used for operating purposes.

➤ RIPTA has maximized the use of Preventive Maintenance funds for the last few fiscal years to reduce the annual operating deficits presented to the Governor and General Assembly.

- Using federal capital funds for Preventive Maintenance has eroded the level of federal formula funding available for continued capital investment in the transit system.

- Federal discretionary funds secured by RI's Congressional delegation has made possible the significant use of Preventive Maintenance funding.



Budget Profile – Operating Revenues

(Based on FY 2009 Budget)

Federal Reimbursement = \$20.5 million *(Continued)*

- ADA Reimbursement (\$2.6 million)

- Reimbursement of 80% of costs of American with Disability Act. It is capped at 10% of the federal formula funds.

- Federal reimbursement for operating (\$3.0 million)

- Represents reimbursement for overhead/support of the transit system, not service provision.

- Mobility Management Reimbursement (\$1.1 million)

- New federal funding category allows for reimbursement for costs of RIdE program administration.



Budget Profile – Operating Revenues

(Based on FY 2009 Budget)

Special Revenues = \$0.6 million *(0.7 percent)*

- Includes revenues from advertising and rental income.

Other Revenue = \$10.8 million *(11.8 percent)*

- Centralized maintenance revenues (\$2.0 million) support the continued maintenance of all vehicles operating in the Ride program. Revenues are from the funding agencies whose clients are served by the system.)
- RIDOT revenues (\$.7 million) covers cost to maintain and repair 68 DOT vehicles
- Paratransit revenue (\$7.5 million) supports all Ride service operated by RIPTA.



Budget Profile-Operating Expenses

(FY 2008 and FY 2009)

	FY 2008	FY 2009
Wages	\$40,315,316	\$43,577,994
Fringe Benefits	\$20,430,114	\$23,099,323
Special Services	\$1,177,693	\$1,260,801
Parts & Equipment	\$3,548,272	\$3,648,800
Fuel	\$6,343,200	\$11,893,500
Insurance	\$3,450,000	\$3,617,055
Paratransit ADA Service	\$6,105,721	\$6,322,064
Miscellaneous Expenses	\$7,545,567	\$7,813,330
Prior Year Carryover Deficit	\$ 0	\$1,991,285
TOTAL	\$88,915,883	\$103,224,152
Surplus/Deficit	\$567,072	(\$12,285,963)



Budget Profile – Operating Expenses

(Based on FY 2009 Budget)

Wages/Fringe Benefits = \$66.6 million *(65.9 percent)*

- Governed in large part by collective bargaining agreements and other existing contracts with benefit providers.
- All contracts expire June 30, 2009

Fuel = \$11.9 million *(11.8 percent)*

- Based on \$4.50/gallon for 2.5 million gallons per year
- FY 2008 average price = \$3.13
 - Average price in FY 2002 was \$0.87
 - Average price in FY 2005 was \$1.75
- Increasing prices since fiscal year 2005 have added expenses of approximately \$7.0 million to RIPTA's budget



Budget Profile – Operating Expenses

(Based on FY 2009 Budget)

ADA Service= \$6.3 million *(6.3 percent)*

- Represents cost of unfunded federal mandate to provide complementary Paratransit service for individuals with disabilities who are unable to use the fixed route system.
- Costs have annually been increasing from approximately \$2.4 million in FY 2002 to \$6.3 million in FY 2009.

Insurance = \$3.6 million *(3.6 percent)*

- RIPTA is self-insured for most types of losses and for workers' compensation.
 - Budget includes \$2.1 million for settlements/judgments.
 - Budget includes \$1.2 million for all workers' compensation costs.



Budget Profile – Operating Expenses

(Based on FY 2009 Budget)

Parts and Equipment = \$3.6 million *(3.6 percent)*

- Includes all parts and equipment required to maintain RIPTA's revenue and non-revenue vehicle fleets.
- Provides funding for the continued overhauls of the fleet to ensure these vehicles are functional through their entire useful lives and the installation of diesel particulate filters to reduce emissions from the fleet.

Special Services = \$1.3 million *(1.3 percent)*

- Provides funding for services such as legal counsel, environmental monitoring, actuarial and auditing services, and third party workers' compensation processing.



Budget Profile – Operating Expenses

(Based on FY 2009 Budget)

Miscellaneous Expenses = \$7.8 million (7.7 percent)

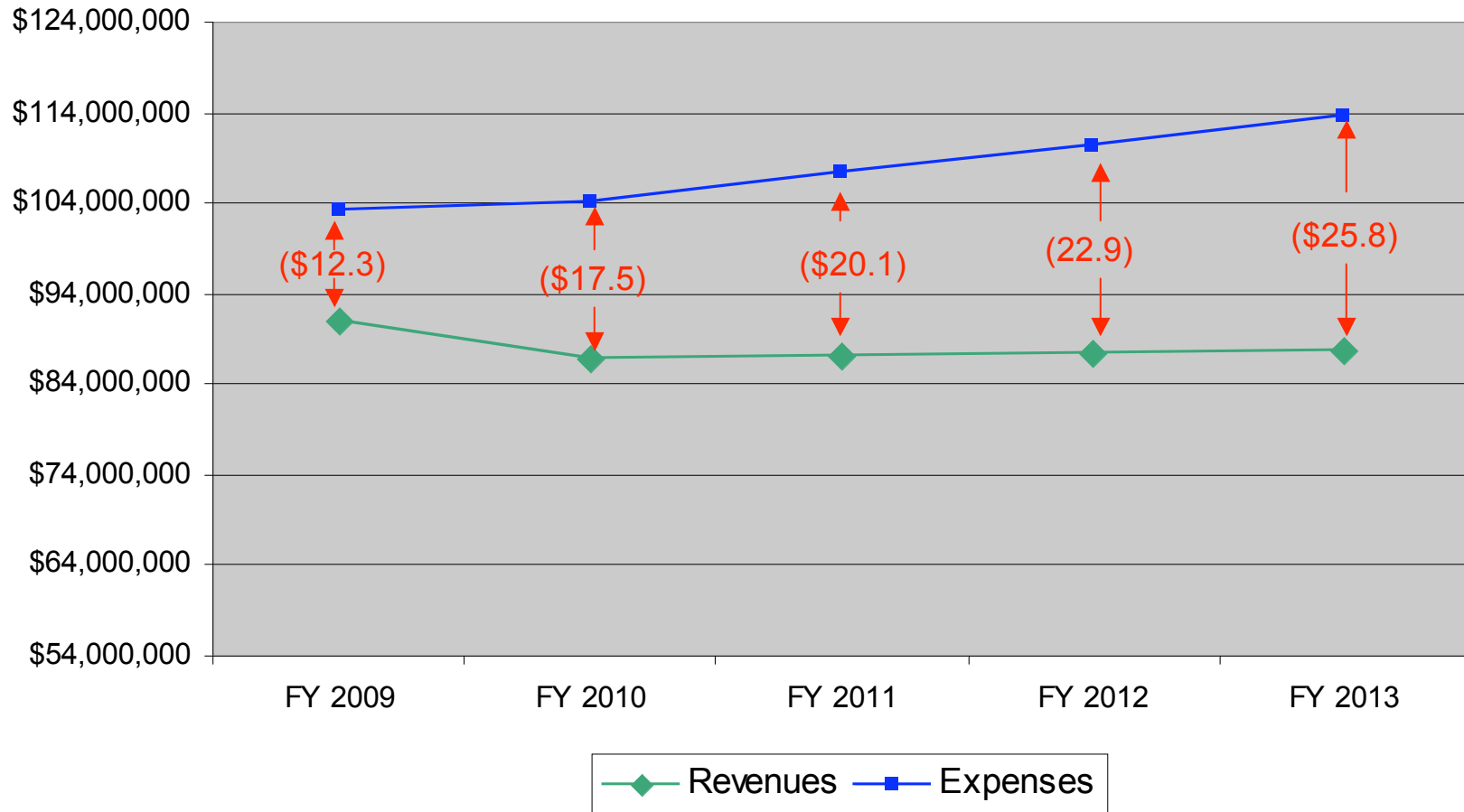
- Includes:

Debt Service	\$0.8 million
Capital Replacement Fund Repayment and Local Matching Requirements	\$0.5 million
Ferry Related Expenses	\$0.7 million
Utilities and Building Maintenance Supplies	\$2.8 million
Marketing/Advertising and Printing	\$0.9 million

- Balance represents all other “overhead” costs, such as postage, computer expenses, tires. and radio maintenance agreement costs.



RIPTA Operating Budget 5 Year Projection



Gasoline Tax Revenue

Largest source of state support for transit

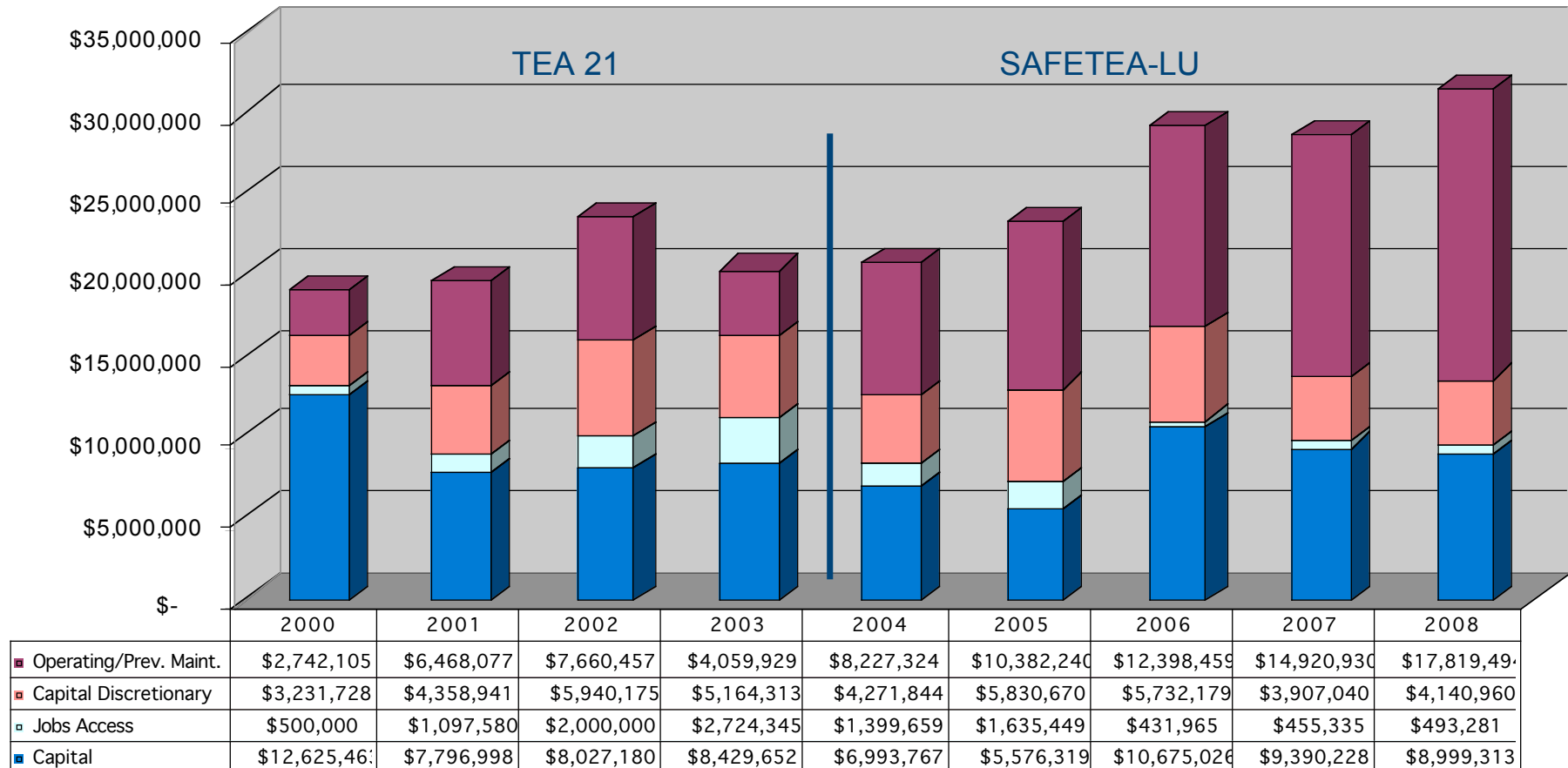
- Increases are generally the result of an increased dedication of the tax to transit.
- Not a revenue source to keep pace with increasing expenses.
- As taxpayer fuel consumption decreases RIPTA receives less revenue.

Gasoline Tax Revenues	FY 2002	FY 2003	FY 2004*	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009 (Budget)
Gas Tax Revenues	\$ 29,052,678	\$ 29,054,641	\$ 31,868,219	\$ 30,218,664	\$ 34,840,735	\$ 34,108,373	\$ 32,030,191	\$ 32,725,200
Gax Tax Allocation	6.25	6.25	6.85	6.25	7.25	7.25	7.25	7.25
Yield Per Penny	\$ 4,648,428	\$ 4,648,743	\$ 4,652,295	\$ 4,834,986	\$ 4,805,619	\$ 4,704,603	\$ 4,417,957	\$ 4,513,821
Percent Change	1.20%	0.01%	0.08%	3.93%	-0.61%	-2.10%	-6.09%	2.17%

* FY 2004 allocation was 6.85 cents of the tax for July through April. The allocation for May and June was 5.05 cents. This reduction was in part temporary. The allocation was raised back to 6.25 cents beginning July 2004.



Federal Transit Funding Overview



Federal Transit Funding Overview

✓ Since FFY 2001, capital funds allocated to operations, in particular preventive maintenance, have ballooned.

Federal Fiscal Year	Urbanized Area Formula	Preventive Maintenance Allocation	Percent of Total
2001	\$ 13,346,526	\$ 6,000,000	45%
2002	\$ 14,694,788	\$ 7,152,000	49%
2003	\$ 11,640,610	\$ 3,672,000	32%
2004	\$ 14,371,940	\$ 7,840,000	55%
2005	\$ 15,077,691	\$ 9,980,000	66%
2006	\$ 21,972,655	\$ 11,840,000	54%
2007	\$ 23,162,331	\$ 14,340,000	62%
2008	\$ 25,590,824	\$ 17,200,000	67%
Total	\$ 139,857,365	\$ 78,024,000	56%

✓ RIPTA has used opportunities in federal authorizing legislation to assist in balancing annual budget deficits.

✓ RI's Congressional delegation had made this possible given the significant level of capital discretionary funds obtained



Five Year Capital Plan

(FY 2009 through FY 2013)

Fleet vehicle replacement **\$68,725,253**

- ✓ 12-year useful life
- ✓ Match thru State bonds

Ride vehicle replacement **\$11,104,550**

- ✓ 5-year useful life
- ✓ Match from paratransit revolving loan fund
 - Mileage fee paid by funding agencies

Paratransit Operations and Support Center

- ✓ 30-year useful life **\$36,883,157**
- ✓ Match from State RICAP funds



Five Year Capital Plan (con't)

ITS program	\$12,500,000
Passenger facility improvements	\$1,850,000
Bus Wash	\$357,000
Repaving of Kennedy Plaza	\$600,000
Security improvements	\$1,625,000

- ✓ Match provided by RIPTA's Revolving Loan Fund
 - Repayment at 1% below prime rate
 - Repayment schedule based on life of asset



RIPTA's Problems Anticipated

RIPEC Report (2002)

“The situation for RIPTA is acute ...RIPTA is faced with making service cuts...many scenarios for Rhode Island's future rely on expanding public transportation, not reducing it. (pages 6-7)

“Current State transit funding is inelastic and insufficient to sustain the existing statewide transit system even in a “not growth mode”.” (page 31)



Additional Funding Recommended

Special Legislative Commission To Study Transit (May 2007)

- “Provide additional state and local funding to cover the operating expenses of RIPTA, thereby freeing up federal funding for capital investments to improve and expand services.” (page 3)
- “Reduce the reliance on the state gasoline tax as a primary source of state funding to support operating expenses of public transit providers.” (page 3)



Transit Funding – National Outlook

Sources for transit funding used by other states

- ✓ General Fund revenues
- ✓ Gasoline Tax
- ✓ General Sales Tax
- ✓ Motor Vehicle/Rental Car Sales Tax
- ✓ Registration/License/Title Fees
- ✓ Trust Funds
- ✓ Lottery
- ✓ State highway funds



Future Options – Meet Current Demand

Documented overcrowding ...

- ✓ During Fall 2007, State legislature requested report on what is needed to reduce overcrowding
- ✓ Result: 30 Additional Buses needed for daily peak period service (September 2007)

... Compounded by additional recent demand

- ✓ Nationwide, ridership has grown significantly in recent months on ALL MODES of transit in reaction to high costs of gasoline
- ✓ Agency budgets not prepared; RIPTA and others face high fuel costs and declining revenue
 - New users find overcrowded systems
 - Service cuts and fare increases across the nation



Future Options – Transit 2020

From the Transit 2020 Working Group

“Rhode Island needs to make an investment to develop and maintain a seamless, integrated, high quality transit service that builds on and complements the existing system”

Benefits of investments in Transit

- ✓ a better position for the City and State in competition with metropolitan areas making significant transit investments
- ✓ Improved environmental quality, including reducing greenhouse gas emissions that threaten significant climate change
- ✓ Increased economic development potential Statewide
- ✓ Preservation of the quality of life that distinguishes Rhode Island by supporting smart growth and preserving open spaces



Future Options – Transit 2020

RIPTA is working to meet region's future mobility needs

- ✓ Partnering with RIDOT, RIPTA hired a FTE to coordinate RIPTA's efforts to expand to meet congestion
- ✓ Metropolitan Providence Transit Study awarded July 2008
 - identify mode choices that can address region's needs
 - identify funding issues and options for operating and capital needs



Future Options – Transit 2020



Portland, Oregon streetcar system



Future Options – Transit 2020



Before



Future Options – Transit 2020



After

